



Top 20 small business ideas for rural areas in india



India has progressed a lot as a country since Independence and we are now in the top countries of the world on several parameters. Industries have flourished, urbanisation of labour occurred in search of better prospects. Having said that, there is still a major chunk of the population that resides in rural India running small scale industries in villages. This chunk contributes significantly to the GDP of India and can be termed as the engine driving the Indian economy.

Employment has always been an issue in rural India, but things have started to change now with government push and entrepreneurial spirit. There are many village business ideas that are being contemplated to boost job creation. Many of these ideas have also become reality with companies like FlexiLoans offering to fund these small enterprises. Indeed, there are umpteen small business ideas for small towns in India that are discussed in this article. Here it goes:

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Small Business Ideas for rural areas

These business ideas are as follows

1. Retail Businesses

Essential products are always in demand in rural areas with growing populations and have to be met by sourcing products from the cities. However, with a retail store in villages, this problem can be solved to a great extent making it a small investment business in villages. These retail shops could be a Kirana store, tailoring shop, electronics shop, saloon, sweets shop, mechanic and plumber services, electronics repair shop, etc. The options are plenty for small scale business in villages.

2. Flour Mill

If there is a flour mill available in rural areas, then people will not have to buy expensive packaged flour from big companies. The demand here will always rise since food is a necessity, thus making it one of the best small business ideas for villages. Additionally, there is no dearth of raw material needed for the production of flour in villages. A single flour mill can also supply the end product to neighbouring villages to make more profits.

3. Manufacturing Unit

You can set up a small manufacturing unit in the village to manufacture products like incense sticks, candles, matchbox, packaging products, cups and plates, disposable and jute bags, etc. Small scale manufacturing in Indian villages is a lucrative business opportunity considering the sales potential and limited competition. You can supply your products to urban markets as well at higher prices to fetch more profits from such business ideas in village. In manufacturing, the products and opportunities are many and if you get a [business loan](#) from any lender then you can manufacture different types of products from the same raw material.

4. Apparel Store

Clothing is one such thing that everyone will wear and in the festive season and special occasion, its sales increase multifold. People in villages usually travel to nearby cities for shopping, but if they have a clothing store in their village, that will save their time and money. This is one of the finest small scale industries in villages. The demand for clothing will never see a dip, it will increase on the contrary in the long run with rapidly changing fashion trends reaching even the remote areas. Tailoring services can also be offered in parallel, which is another small investment business in villages.

5. Poultry Farm Business

This is another one of the lucrative small business ideas for small towns that require minimal investment, land, and labour. Many lenders like FlexiLoans are also helping people to set up livestock and poultry farming businesses by offering [small business loans](#). On the demand side, the opportunities are limitless both in urban and rural areas, thus boosting your returns in this business. As a business owner, you can start small with one of the best business to start in rural area of poultry and livestock farming and then expand gradually.

6. Tutoring Service

Not every aspirant is fortunate enough to flock to the city for his exams preparations. There is a significant number who have to stay back and prepare on their own. This is where you can come to their rescue with such innovative business ideas in rural areas. There is a great dearth of qualified and skilled teachers in rural India and you can start a coaching institute and also hire more teachers generating employment opportunities. The best part about it is, you don't need high capital to start a coaching centre, thus making it an ideal small investment business in villages.

7. Dairy Business

Milk is in abundance in villages and rural areas in our country, so why don't you transform this abundance into a lucrative business opportunity? One of the best village business ideas is to start a dairy business wherein you can export milk to companies in cities by sourcing milk from people in your village. The initial funding required can be borrowed from a lender like FlexiLoans at lower interest rates and flexible repayment conditions. This small scale business in villages can be highly profitable in the long run.

8. Medical Shop

People in rural areas usually flock to nearby cities to get medicines that are not very common. Among the business ideas in rural areas is to start a medical shop offering all the possible medicines for diabetes, blood pressure, insulin, apart from paracetamol. You will have to tie up with a supplier in the city to get constant supply regularly. Besides, you can place orders on just in time (JIT) basis with your supplier for medicines that you don't stock due to low demand. This can be one of the lucrative small business ideas for small towns in India.

9. Fertiliser Business

Rural economy in India is largely agrarian dependent with several households involved in farming. The volume of farming makes insecticides and pesticide business a great small scale business in villages. However, you need to get regulatory permits and licenses to start this business, and apply for it with the local authorities. Along with fertilisers, you can also sell seeds that are heavily used in farming. It makes perfect sense to call it the best business to start in rural area.

10. Organic Vegetables and Fruits

The market for organic fruits and vegetables has been growing over the years with a perpetual increase in demand. If you are looking for business ideas for a small village, then this is an ideal opportunity. People have agricultural lands and there is no scarcity of such fields in villages, thus doing organic farming will not be difficult. If you don't have land of your own then you can work on others' land and pay them royalty or rent. However, considering these are perishable goods, you will have to spend on refrigeration and storage for which you can [apply for a business loan without collateral](#) at FlexiLoans.

11. Fishery Business

The demand for fish and other seafood is extremely high in India and thus this is one of the most lucrative small business ideas for small towns in coastal areas. All you need is some land and initial capital that can be taken care of by an [instant business loan](#) from lenders like FlexiLoans. Another advantage is there will be no middleman involved here and you can sell directly to anyone. Besides, large quantities can be exported as well making it one of the prominent small scale industries in villages.

12. Drinking Water Supply

There are many offices, public offices, educational institutions that require water canes in their offices. Villages have many sources of water that can be purified slightly and transported to cities. This is a small investment business in villages that has the potential to become highly profitable going forward. You might have to purchase some four-wheelers or hire on rent to transport in quick time to fulfill orders. Besides, people in villages can walk into your store to get the water canes for their consumption, thus adding another revenue stream for you in such business ideas for a small village.

13. Threshing Machine

One of the other profitable business ideas in rural areas is to buy a tractor that comes with drilling and threshing equipment. We all know that the rural economy is agrarian dominant and not all farmers have threshing machines of their own. There are a significant number of farmers who rent it, and you can be the person giving them on rent. This equipment comes in handy in every harvest season and thus can be a great small scale business in villages. To scale up your operations, you can also start renting out a pumping machine going forward.

14. Oil Mills

The best small business ideas for rural areas in India are the ones that have a good demand-supply mismatch with demand outpacing the supply. This is one such opportunity, as currently, people have to travel a lot to refine their oil. With an initial investment in land, you can start an oil mill that can be used to extract oil from soybean, mustard, and groundnut. This oil is used for several purposes in every household, thus the potential profit is high, making it one of the best small scale manufacturing in Indian villages.

15. Flower Farming

Popularly known by the name Floriculture, this type of farming is done for many commercial uses in several states of India. This is the best business to start in rural area given the nutrient-rich soil in many of these areas that is ideal for flower farming. This is a year-round business and the demand for flowers in religious ceremonies will not see a dip in the future. Flowers are also used in decoration in celebrations and get-togethers opening another market in this small scale business in villages.

16. Freelance Writing

If you are creative enough to write amazing content and copies for companies, then you can make money by sitting at home in your village. All you need is internet connectivity and a laptop to start small business ideas for small towns like freelance content writing, copywriting, graphic designing, blogging etc. The opportunities for freelancers will be more than ever before in what is going to be a Gig Economy in the years to come. Think of such business ideas for a small village that can be pursued by sitting at your home.

17. Auto Repair Business

Automobiles have penetrated remote areas today and are not confined to cities only. However, people in villages still have to go to cities for servicing and repair of their vehicles. Isn't this one of the greatest business ideas in village that can be transformed into reality in no time? You will get business from your village and neighbouring villages as well.

18, Microcredit Services

The penetration of financial services has increased significantly since Independence but there are many areas devoid of formal sources of financing. People in these areas still fall prey to local unorganised lenders who exploit these people with higher interest rates. Micro-lending services thus can be one of the ideal small business ideas for small towns in India.

19. Food Joint

People in rural areas and villages also host and celebrate many occasions like birthdays, anniversaries, engagement functions, and whatnot. In such a situation, one of the business ideas in rural areas is to open a food joint or a small restaurant with seating capacity. The margins in this business are comparatively higher and once the word of mouth spreads, then there is no stopping you. It is unconventional business ideas in villages like these that become successful over the course of time.

20. Rent Your Space

There are many governments and even private banks that are always on the lookout for spaces in villages to set up their branches or ATMs. If you have an extra house or some empty shop or other such space, then renting it would be one of the best small business ideas for small towns to earn a side income. You will be receiving the rent on a monthly basis till the lease period expires; this will be your secondary income. Besides, you can continue working on your regular job to earn your primary income.

These were some of the innovative small business ideas for small towns in India, we have covered the top 20 picks for you. This is a long list considering the endless business opportunities. To set up operations and infuse initial capital, you can get [business loans online](#) from lenders like FlexiLoans. To know more about our business loans, follow us on this link.

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